

# Charles E. Yockey, Jr.

To the FTC,

I commend your efforts to regulate business opportunities. I believe that your proposed rules are too restrictive to allow for fair competition. I have participated in the Quixtar business for some time and I have enjoyed being part of this fine upstanding organization. My comments in outline form:

## 1) Seven Day Waiting Period

A cool down period is not necessary for the level of investment made into businesses that operate as Quixtar does. The entire investment of starting a business with Quixtar ranges from around \$45.00 plus tax and delivery (without initial product pack) to around \$125 plus tax and delivery (with optional initial product pack). I have personally spent more money than that on an evening out where there was no recourse for refunds from the restaurant and the movie theatre where I was disappointed that the commercials I saw on television promoting the excellent savory tastes I would enjoy and the awesome action feature didn't reflect the experience I expected per the promotions.

People everyday enter into transactions with different companies to purchase services and products where they have no waiting period for purchases substantially in excess of the \$45.00 - \$125.00 plus tax and delivery that is required for someone to enter the Quixtar business. Should someone be disappointed with their Quixtar business for any reason, Quixtar has a buy back rule for all Independent Business Owners (IBOs). All persons entering into the Quixtar business can choose to terminate their relationship with Quixtar and receive their money back. In my experience, Quixtar has allowed the resigning IBOs to retain their starter kit and optional initial product pack while refunding their entire purchase price. In addition, Quixtar allows returns of purchased items for full refunds.

## 2) 10 References

The Line of Sponsorship (LOS) is what creates the income. The LOS is one of the most important facets in a network business such as Quixtar.

Allowing prospects to speak with other reference" IBOs might result in "stealing the prospect" from the IBO who has invested time and effort in explaining the program to the prospect and allowing the "reference" IBO to incur an unearned gain. Prospects, like myself when I first viewed the program, are able to judge the character of the people that are explaining the program to them and decide whether to believe them or not. They do not need 10 references to make up their mind.

## 3) Litigation Disclosure

Disclosure of litigation does not tell the whole story and can create a skewed vision of the truth. We all know that many frivolous lawsuits are filed everyday against major corporations and other individuals. Sometimes the eventual conclusion of a court trial can go against common sense, such as the OJ trial.

When purchasing a car, a house, a company and including securities from a broker, these companies or individuals are not required to provide disclosure of litigation against them. Why for the cost of a Quixtar business (\$45.00 - \$125.00 + delivery & tax), should we have to disclose litigation, yet people purchase items and make deals for a lot more money than the initial start up costs where this disclosure is not required?

## 4) Income Disclosure & Financial Substantiation

Income disclosure is not necessary as I believe the FTC has already addressed this issue by requiring us to use the SA 4400 document, which shows average income of IBOs. Every prospect that is shown how the program works is given an SA 4400 for their review. They can study the document and ask questions regarding the income claims in the SA 4400 as well as contact Quixtar for any clarifications. My personal income as well as yours is a private matter not available for public comment.

## Conclusion

I believe that there are enough safeguards in place for the Quixtar business especially when taking into account the small startup fee. Other businesses, such as home sales, loan sales, car sales, company sales, and security sales, which all include contracts and transactions thousands of times larger than the small start up fee for Quixtar, don't have these restrictions proposed by the FTC. The potential for fraud and loss in home sales, loan sales, car sales, company sales, and security sales is significantly greater than Quixtar.

In my opinion, these proposals from the FTC will create a hardship for individuals like who have chosen the Quixtar business as a way to create additional income. It is hard enough now with all the goofballs who post comments on the Internet, like writing on the bathroom wall, without consequence, to help people understand the possibilities a network business can create for them. As I mentioned earlier, sometimes common sense goes out the window. I hope the FTC will see that imposing greater restrictions on businesses of our type will definitely create an environment that will make networking businesses impossible to survive.